



United States Senate Budget Committee

JEFF SESSIONS | Ranking Member

February 17, 2011

Contact: Stephen Miller, 202.224.0642

Sessions to Geithner: Grow the Economy, Not the Government

"We need to stop growing the government and start growing the economy. That means reducing spending now. The situation is too urgent—and the need for a new direction too great—for us to delay action any longer."

WASHINGTON—U.S. Sen. Jeff Sessions (R-AL), Ranking Member of the Senate Budget Committee, delivered an opening statement today at a hearing with Treasury Secretary Timothy Geithner to examine President Obama's budget proposal.

Sessions' remarks, as prepared, follow:

"Thank you, Secretary Geithner, for appearing before the committee today.

We face serious challenges in the wake of the financial crisis. I would just note that we would have been better off if Mr. Paulson, Mr. Bernanke, and the Chairman of the New York Fed had seen it coming—maybe then we could have avoided some of those difficulties. Now we are at risk of another crisis if we don't get our debt under control, so this time let's make sure we take steps to avoid it.

We're here to discuss the president's budget. It's clear the plan submitted by the president is not a serious proposal to address our nation's growing fiscal crisis.

Here, Mr. Geithner, is how you correctly described our fiscal situation earlier this week: "Our deficits are too high. They are unsustainable, and left unaddressed, these deficits will hurt economic growth and make us weaker as a nation."

But the president's budget does nothing to confront this danger. In fact, it continues the unsustainable course. The plan creates ten straight years of deficits that never once fall below \$600 billion and adds \$13 trillion overall to our gross debt. Under the president's plan, interest alone on the debt will rise to \$844 billion in one year—more than we pay for Medicare or defense.

It is almost unthinkable that the president would put this budget before the Congress and the American people as his long-term plan for our nation.

But to hear the president and his administration describe the budget you would think they had achieved balance and brought the deficit crisis to an end.

Here is what the president's budget director, Jack Lew, said over the weekend: "Our budget will get us, over the next several years, to the point where we can look the American people in the eye and say we're not adding to the debt anymore; we're spending money that we have each year, and then we can work on bringing down our national debt."

And here is what President Obama said just two days ago at a press conference: "What my budget does is to put forward some tough choices, some significant spending cuts so that by the middle of this decade our annual spending will match our annual revenues. We will not be adding more to the national debt."

Clearly these statements, as heard by the American people, are false. Yet remarkably, when the president's new press secretary, Jay Carney, was asked whether the president's claim withstood scrutiny, Carney replied, "Absolutely."

In what fantasy world do we double our gross debt from \$13 trillion to \$26 trillion and then say we are not adding to it?

This is a serious matter. To tackle our fiscal challenges the president must lead the country in an honest conversation.

But the president has never once looked the American people in the eye and had a candid conversation about these challenges—and what we will have to do to solve them. The message seems to be, "There is no problem. We've taken care of it."

President Obama is placing his credibility at risk. During the same press conference where he suggested his budget was in balance, the president also expressed his desire to work with Republicans on meaningful reforms.

Then, just hours later, he issued a veto threat if Republicans took steps to reduce current spending levels by \$59 billion, or \$100 billion less than the president requested for this year.

Let's remember: those arguing that we cannot reduce spending are the same ones who argued two years ago that the massive government stimulus would speed our economic recovery. They were wrong. Our recovery has lagged far behind past recessions and unemployment has remained painfully high. The failed effort to revive the economy through a surge in government spending has instead imperiled our economy with a crushing debt that stifles job growth today and threatens our prosperity tomorrow.

So, Mr. Geithner, you will forgive me if I am unconvinced by arguments that we must preserve every cent of this year's \$1.65 trillion deficit.

We need to stop growing the government and start growing the economy. That means reducing spending now. The situation is too urgent—and the need for a new direction too great—for us to delay action any longer.

Significant reductions in spending may not be easy. But the reason they are not easy is because we've been headed in the wrong direction for so long. So yes, we will have to make some tough choices. But they will put us on the right road—the road that leads to a better future.”

###